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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION

Australia and New Zealand-
United States Discussion
Agreement
FMC Agreement No. 011275-038
(Third Edition)
First Revised Page No. 5

- (b) The offending party shall have the right to make a statement and to tender documents in its defense at a meeting called to consider the issue;
- (c) Expulsion of the offending party requires a two-thirds majority of the other parties;
- (d) If the offending party submits the matter to arbitration under Article 13 within 14 days of that meeting, the decision to expel that party is suspended pending the decision of the arbitrator.

7.3 A party may withdraw from this Agreement at any time upon ~~48 hours~~ not less than seventy-five (75) days written notice to the other parties, and upon providing a copy of that notice to the Federal Maritime Commission. Withdrawal does not affect any existing obligation of that party under Article 12 or 13.

8. VOTING

- 8.1 This Agreement may be amended or terminated upon the affirmative unanimous vote of the parties at a meeting called for that purpose, provided that any party not present at that meeting has been given 48 hours notice of the proposed amendment or termination.
- 8.2 Except as provided in Articles 7.2 and 8.1, any consensus under this Agreement shall be adopted as far as possible by general agreement without any vote being taken, but if no agreement can be achieved, a consensus may be adopted by a majority vote of the parties.
- 8.3 Unless a party voting against a consensus under Article 8.2 notifies the other parties, directly or through the Agreement Chairman, to the contrary, it will be assumed that that party does not adhere to the consensus.
- 8.4 A party which adheres to a consensus for the purposes of Articles 8.2 or 8.3 but which decides, pursuant to Articles 2 and 5.3, no longer to adhere or give effect to that decision shall use its best efforts promptly to notify the other parties, directly or through the Agreement Chairman, of its intention until further notice to discontinue that adherence.

9. DURATION AND TERMINATION OF AGREEMENT

This Agreement enters into force on the first day it may be lawfully implemented under each of the applicable laws, and shall continue in effect indefinitely unless terminated under Clause 8.1.

APPENDIX B

MINIMUM LEVEL OF SERVICE TO BE PROVIDED BY THE AUSTRALIA & NEW ZEALAND - UNITED STATES DISCUSSION AGREEMENT

1. Extent of Undertaking to Provide Minimum Level of Service

With a view to providing adequate, economic and efficient shipping services, Member Lines agree, subject to the conditions set out in this Appendix, to provide the minimum level of service specified in Paragraph 3.

2. Basis of Providing Minimum Level of Service

The Minimum Service Level in this Appendix is subject to the Conditions of the Member Lines' individual Tariffs (excluding the schedule of freight rates and charges) and Force Majeure (including strikes, actual conflict or civil disturbance) wherever occurring.

The minimum level of service specified in Paragraph 3 is established having regard to expected trading and operational conditions in the 12 months from 1 ~~April, 2012~~ March, 2016. In the event that any of these conditions change to a degree which could prevent the achievement of the specified minimum level of service, the Member Lines have the right, with prior notice to the relevant Designated Shipper Body, to provide proportionately a lower level of service for a period not exceeding 90 days.

If the present Appendix is not amended in respect of the minimum service level within the 90 day period, Member Lines will take whatever action is necessary to provide the minimum level of service specified in Paragraph 3.

3. Statement of Minimum Service Levels

The minimum service level for the purpose of this Agreement on the basis in Paragraph 2 is as follows:

a. Minimum Capacity and Service

The Member Lines collectively undertake to maintain sufficient tonnage in the trade to provide:

West Coast USA	36,173 <u>32,305</u> dry TEUs, 7,107 <u>7,552</u> refrigerated plugs and 62 sailings
East Coast USA	23,878 <u>21,551</u> TEUs, 10,858 <u>9,882</u> refrigerated plugs and 62 sailings

per annum on a regular basis together with sufficient containers in good working order and condition.